

State of Missouri Office of Secretary of State

Case No. AP-10-02

IN THE MATTER OF:

R.C. TRANSPORT, LLC;
ROBERT CORDER;
MICHAEL A. SANTIAGO
a/k/a MIKE SANTEE; and
GENERAL INVESTMENTS, LLC,

Respondents.

Serve: R.C. Transport, LLC, at:
36840 State Highway WW
Campbell, Missouri 63933

Robert Corder at:
36840 State Highway WW
Campbell, Missouri 63933

General Investments, LLC, at:
c/o Robert Corder
36840 State Highway WW
Campbell, Missouri 63933

Michael A. Santiago a/k/a Mike Santee, at:
826 S. Lakeside Drive
Lake Worth, Florida 33460-5032

Michael A. Santiago a/k/a Mike Santee, at:
1425 S. Palmway
Lake Worth, Florida 33460-5711

FINAL ORDER TO CEASE AND DESIST AND ORDER IMPOSING CIVIL PENALTIES, AND AWARDING COSTS AND RESTITUTION

On January 10, 2012, the Enforcement Section of the Securities Division of the Office of

Secretary of State ("Enforcement Section"), by and through Assistant Commissioner, Mary S. Hosmer, submitted a Petition for Final Order to Cease and Desist and Payment of Restitution, Civil Penalties, and Costs as to All Respondents (the "Petition"). After reviewing the Petition, the Commissioner issues the following findings of facts, conclusion of law and order:

PROCEDURAL BACKGROUND

1. On April 13, 2010, Mary S. Hosmer, Assistant Commissioner for the Securities Division and on behalf of the Enforcement Section, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should not be Imposed (the "C&D Petition") in the above-styled matter.
2. On April 15, 2010, the Petition was sent by certified mail to all Respondents, including two different addresses for Respondent Michael A. Santiago ("Santiago").
3. On April 20, 2010, the Petition was received by Respondents R.C. Transport, LLC ("RCT"), Robert Corder ("Corder"), and General Investments, LLC ("GI").
4. On May 17, 2010, the Petitions mailed to Santiago's separate addresses were returned to the Securities Division each marked "Unclaimed."
5. On April 30, 2010, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should not be Imposed against Respondents (the "C&D Order").
6. On April 30, 2010, the Order was sent by certified mail to all Respondents, including two different addresses for Respondent Santiago.
7. On May 3, 2010, the Order was received by Respondents RCT, Corder, and GI.
8. On May 11, 2010 and June 1, 2010, the Order mailed to Santiago's separate addresses were returned to the Securities Division each marked "Unclaimed," and "Attempted Not Known."
9. On May 6, 2010, the Order was posted on the Secretary of State's website, which is available to the public via the internet.
10. Pursuant to the provisions of Section 409.6-611, RSMo. (Cum. Supp. 2009), the Order was served on the Commissioner and sent by registered mail to both of Respondent Santiago's last known addresses on September 8, 2010. In addition, the Order is currently available to the public at <http://www.sos.mo.gov/securities/orders/>.
11. On October 18, 2010, these registered mailings containing the Order and service on the Commissioner were returned to the Division as "Return to Sender" and "Moved No Forward, Return to Sender."
12. Respondents Santiago and GI failed to request a hearing within the time allowed by Section 409.6-604, RSMo. (Cum. Supp. 2009).
13. On May 27, 2010, Respondents RCT and Corder, through their counsel Jane L. Stafford, submitted a Request for Hearing.

14. On June 4, 2010, the Commissioner issued an order setting a hearing in this matter for August 27, 2010, and a pre-hearing conference for July 14, 2010.
15. On June 4, 2010, a copy of the Hearing Order was mailed by U.S. Mail to Ms. Stafford, as counsel for Respondents RCT and Corder.
16. On July 14, 2010, Ms. Stafford, as attorney for Respondents RCT and Corder, submitted a letter to the Commissioner requesting to continue the pre-hearing conference.
17. On July 14, 2010, the Commissioner continued the pre-hearing conference in this matter to August 10, 2010.
18. On July 15, 2010, Ms. Stafford submitted a letter withdrawing as attorney of record for Respondents RCT and Corder.
19. Pursuant to 15 CSR 30-55.030(1)(A), a party challenging the factual basis for the order shall file an answer to allegations made by the Securities Division within thirty days of receipt of the hearing order unless the commissioner grants additional time.
20. The Commissioner has not granted any Respondent additional time to file an answer in this matter.
21. None of the named Respondents filed an answer by July 6, 2010.
22. On August 9, 2010, Corder sent a letter to the Commissioner stating that he and Respondent RCT would be denying all allegations made by the Enforcement Section in the C&D Petition.
23. In that August 9 letter, Corder also requested a continuance of the pre-hearing conference on behalf of Corder and RCT. As grounds for this second request for a continuance of the prehearing conference, Corder claimed that he was attempting to retain new counsel.
24. On August 9, 2010, the Commissioner rescheduled the prehearing conference in this matter to September 2, 2010, and continued the hearing in this matter to October 27, 2010.
25. On August 31, 2010, Respondent Corder submitted a letter to the Commissioner stating that he still had not "retrained" new counsel and would need additional time to pay retainer fees.
26. On September 1, 2010, the Commissioner rescheduled the prehearing conference in this matter to October 6, 2010.
27. The prehearing conference in this matter was held on October 6, 2010. Respondents Corder and RCT indicated that they still had not retained counsel, but intended to pay the full retainer and thus retain the counsel of St. Louis attorney David Cosgrove within one week.
28. During the prehearing conference, the Commissioner denied the Enforcement Section's request that all allegations in the Petition be deemed admitted by virtue of

- the lack of any answer from any Respondent. Respondent Corder stated that he would file an answer in this matter no later than October 21, 2010. Respondent Corder also indicated that he would be available for a deposition in Jefferson City, Missouri, on October 27, 2010.
29. During the prehearing conference, all parties present requested a continuance of the hearing in this matter, and Respondent Corder requested that the hearing be continued to January 2011.
 30. On October 7, 2010, the Commissioner continued the hearing in this matter to January 6, 2011.
 31. On January 3, 2011, Respondent Corder submitted a letter to the Commissioner stating that Respondent Corder was seeking a continuance of the hearing in this matter "do [sic] to the fact the Respondent has falling [sic] ill and due to scheduling retainer issues with counsel." Respondent Corder also stated Respondents expected Ms. Stafford "to resume as counsel."
 32. On January 4, 2011, the Commissioner continued the hearing in this matter to April 6, 2011.
 33. On April 4, 2011, Respondent Corder submitted a letter to the Commissioner stating that Respondent Corder was seeking a continuance and to hire attorney JR Hobbs as counsel, but Corder stated Corder would not be able to pay Mr. Hobbs "until the check clears" from a "resent [sic] farm sale."
 34. On April 6, 2011, the Commissioner continued the hearing in this matter to July 11, 2011.
 35. On July 7, 2011, Respondent Corder submitted a letter to the Commissioner stating that Respondent Corder was seeking a continuance of this matter due to "unforeseen health issues with [his] kidneys."
 36. On July 8, 2011, the Commissioner continued the hearing in this matter to August 24, 2011.
 37. On August 23, 2011, the Commissioner held a status conference with Respondent Corder and Ms. Hosmer. During that status conference, Respondent Corder and Ms. Hosmer requested and agreed to a continuance.
 38. On August 24, 2011, the Commissioner continued the hearing in this matter to September 19, 2011, and scheduled a status conference in this matter.
 39. On September 15, 2011, Respondents RCT and Corder withdrew their request for a Hearing.
 40. According to the Petition, since September 2011, Respondent Corder has told representatives of the Enforcement Section on several occasions that Respondent Corder has one hundred and seventy thousand dollars (\$170,000) to repay the investors in this matter.
 41. In the Petition, the Enforcement Section requested a Final Order to Cease and Desist

in this matter.

42. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009).
43. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.4-402(a) and/or (d), RSMo. (Cum. Supp. 2009).
44. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each Respondent for violations of Section 409.5-501, RSMo. (Cum. Supp. 2009).
45. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against Respondent Corder and Respondent RCT for violations of Section 409.5-505, RSMo. (Cum. Supp. 2009).
46. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring Respondents to pay restitution in the amount of one hundred eighty thousand and one dollars (\$180,001), and interest in the amount of sixty-one thousand three hundred seventy-two dollars and thirty four cents (\$61,372.34).
47. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring each Respondent, jointly and severally, to pay the costs of the investigation in the matter in the amount of two thousand dollars (\$2,000).

FINDINGS OF FACT

48. The Commissioner adopts and incorporates the Findings of Fact, paragraphs 1 - 25, in the C&D Order.

CONCLUSIONS OF LAW

49. The Commissioner adopts and incorporates the Conclusions of Law, paragraphs 36 - 60, in the C&D Order.
50. This Order is in the public interest and consistent with the purposes intended by the Missouri Securities Act of 2003.

ORDER

NOW, THEREFORE, it is hereby **ORDERED** that:

- A. The Cease and Desist Order entered in Case Number AP-10-02 on April 30, 2010, is **FINAL**.
- B. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent RCT shall pay a civil penalty in the amount of five thousand dollars (\$5,000) to the State of Missouri for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009).

This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent RCT shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

- C. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent Corder shall pay a civil penalty in the amount of five thousand dollars (\$5,000) to the State of Missouri for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Corder shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- D. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent Santiago shall pay a civil penalty in the amount of five thousand dollars (\$5,000) to the State of Missouri for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Santiago shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- E. Pursuant to Section 409.6-604(d), (RSMo. (Cum. Supp. 2009), Respondent RCT shall pay a civil penalty in the amount of two thousand dollars (\$2,000) to the State of Missouri for multiple violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent RCT shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- F. Pursuant to Section 409.6-604(d), (RSMo. (Cum. Supp. 2009), Respondent Corder shall pay a civil penalty in the amount of five thousand dollars (\$5,000) to the State of Missouri for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Corder shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- G. Pursuant to Section 409.6-604(d), (RSMo. (Cum. Supp. 2009), Respondent RCT shall pay a civil penalty in the amount of ten thousand dollars (\$10,000) to the State of Missouri for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty

(30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent RCT shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

- H. Pursuant to Section 409.6-604(d), (RSMo. (Cum. Supp. 2009), Respondent Corder shall pay a civil penalty in the amount of ten thousand dollars (\$10,000) to the State of Missouri for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Corder shall deliver this payment to the Securities Division, at 600 West main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- I. Pursuant to Section 409.6-604(d), (RSMo. (Cum. Supp. 2009), Respondent Santiago shall pay a civil penalty in the amount of ten thousand dollars (\$10,000) to the State of Missouri for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Santiago shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- J. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent Corder shall pay a civil penalty in the amount of ten thousand dollars (\$10,000) to the State of Missouri for multiple violations of Section 409.5-505, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Corder shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- K. Pursuant to Section 490.6-604(d), RSMo. (Cum. Supp. 2009), Respondent RCT, Respondent Corder, Respondent GI and Respondent Santiago shall pay restitution in the amount of one hundred eighty thousand and one dollars (\$180,001), and interest calculated at the rate of eight percent (8%) per year from the date of the violation causing the loss, totaling sixty-one thousand three hundred seventy two dollars and thirty-four cents (\$61,372.34), arising from violations of Sections 409.3-301, 409.4-402, 409.5-501, and 409.5-505, RSMo. (Cum. Supp. 2009). Respondent RCT, Respondent Corder, Respondent GI and Respondent Santiago shall be jointly and severally liable for this amount, which totals two hundred forty-one thousand three hundred seventy-three dollars and thirty four cents (\$241,373.34). This amount shall be made payable to the Missouri Secretary of State's Investor Restitution Fund and the Commissioner will take reasonable and necessary actions to distribute such funds to those persons referenced in Exhibit A of the Petition and injured by the acts and violations. This amount shall be paid by the Respondents within thirty (30) days of the date of this Order. The Respondents shall deliver this payment to the Securities

Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

- L. Pursuant to Section 409.6-604(e) RSMo. (Cum. Supp. 2009), Respondent RCT, Respondent Corder, Respondent GI, and Respondent Santiago shall pay the additional sum of two thousand dollars (\$2,000) as reimbursement for the costs of the investigation and administration of this matter. Respondent RCT, Respondent Corder, Respondent GI, and Respondent Santiago shall be jointly and severally liable for this amount. This amount shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and paid within thirty (30) days of the date of this Order. Respondent RCT, Respondent Corder, Respondent GI, and Respondent Santiago shall deliver this payment to the Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- M. Pursuant to Section 409.6-604(f), RSMo. (Cum. Supp. 2009), this matter shall be referred to the Missouri Attorney General's Office to collect the restitution, penalties and costs described in the Order, as necessary. In the event of such referral, priority in collection shall be given to recovery of monies for disgorgement and the restitution ordered under paragraph K, above. Once such collection efforts result in the full satisfaction of paragraph K, priority shall be given to recovery of monies for the civil penalties ordered under paragraphs B, C, D, E F, G, H, I, and J, above.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 2ND DAY OF FEBRUARY, 2012.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of February, 2012, a copy of the foregoing Final Order to Cease and Desist in the above styled case **was mailed by certified U.S. mail to:**

R.C. Transport, LLC
36840 State Highway WW
Campbell, Missouri 63933

Robert Corder
36840 State Highway WW
Campbell, Missouri 63933

General Investments, LLC
c/o Robert Corder
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826 S. Lakeside Drive
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Michael A. Santiago a/k/a Mike Santee
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Lake Worth, Florida 33460-5711

and by hand-delivery to:

Mary S. Hosmer
Assistant Commissioner
Missouri Securities Division

John Hale, Specialist